

NeahCasa



Housing We Can Trust

HOMES FOR OUR COMMUNITY

NeahCasa is for our community – for our friends and your friends, neighbors, and families. We're working to help the people in our community that can't afford to purchase a home here under today's inflated prices. We're working for homes that *stay affordable* into the future – for the kids (our fledglings) who want to continue to be part of our community. For our parents who need to be near us. For the employees that keep our local businesses running. For the nurses, schoolteachers, fire-fighters, and retirees that support our lives and community with their skills and caring.

PO Box 766 • Manzanita OR • 97130 • <info@neahcasa.org> • 368-6294

COULD YOU AFFORD TO BUY A HOME HERE NOW?

Over 70% of the people living in our communities could not afford to purchase a home here today. Homes for families making less than \$75,000 a year are almost unavailable.

HOW ABOUT YOUR KIDS?

Many of our young people want to stay in the community. Part of the economic conditions needed to make this possible is availability of affordable housing.

HOW ABOUT YOUR EMPLOYEES?

Have you seen the help-wanted ads? Employers are telling us most potential employees can't find a place to live. Those potential employees are telling us the same thing. Working folks deserve a chance to live where they work.

HOW ABOUT YOUR CAREGIVERS?

A nurse can't afford to buy a home. A home health aide cannot afford to rent a two-bedroom apartment. Veterans, retired and disabled individuals, and others on limited incomes such as artists and new small business owners can no longer afford the cost of housing here.

JOIN US!

Become a member of NeahCasa,
and volunteer your humor, time, energy, and inspiration
to help us help our community prosper!
call 368-6294

NEAHCASA

NeahCasa is a Nehalem Bay community non-profit organization focused on housing affordability on the north Oregon coast.



Board of Directors

Tom Bender, President
Louise Christianson, V.P.
Edith Rohde, Secretary
Eunice Massie, Treasurer
Mike Cook
Lane deMoll
Gary Seelig

Two years ago we set about learning what needs to be done in our area and what is being done elsewhere to give communities control of land, and to provide housing and land access for people the market does not serve.

Experience throughout the nation proves there are many pieces that together create a solution to the problem of housing affordability.

One highly successful solution to the gigantic gap between moderate incomes and escalating housing prices is to create a system called a Housing Trust (or Community Land Trust/CLT) that holds land in trust, while allowing individuals to purchase permanently affordable housing built on that land.

Other solutions include drastically reducing financing and energy costs (each equals the construction cost of a home), emergency and rental housing, and helping shape public policy to effect meaningful social change.

We feel that - together - we can innovatively close the housing cost gap our community faces.

**To learn
more
about
Community
Land
Trusts:**

- NeahCasa neahcasa.org
- OALUAH oaluah.org
(Oregon Alliance for Land Use & Affordable Housing)
- Oregon Housing Alliance oregonhousingalliance.org
- Clackamas CLT clackamasclt.org
- Portland CLT pclt.org
- Lummi Island CLT (WA) lummiislandclt.org
- San Juan CLT (WA) hometruster.org
- Kulshan CLT Bellingham (WA) kclt.org
- Lopez CLT (WA) lopezclt.org
- Of People and Land (OPAL) Orcas Island (WA) opalclt.org
- Links to 66 CLTs housingforall.org/clt
- National CLT Network nationalclt.org

WHAT IS A HOUSING TRUST?

NeahCasa is organized as a Housing Trust -- known nationally as a Community Land Trust (CLT) -- because of the benefits we can offer the community.

Though housing trusts are known nationally as “land trusts,” we are referring to ourselves locally as a “housing trust” to avoid being confused with the Lower Nehalem Community Trust (LNCT), our local conservancy land trust based at Alder Creek Farm.

Housing Trusts are community-based

NeahCasa will own land and hold it in trust for the benefit of the community. We can sell homes for below-market prices by taking the land costs out of the equation. We will lease land to families and individuals who purchase homes on the land. The 99-year ground lease, which can be renewed for an additional 99 years, includes restricted resale provisions. Thus the trust will preserve affordability for future buyers without requiring additional subsidies. This process gives homeowners virtually the same bundle of ownership rights as market-ownership with any increase in equity shared between the homeowner and the trust.

Housing Trusts assure affordability

Placing land in trust eliminates inflation in land values. Holding homes in trust eliminates secondary financing cycles and transfer costs. Designing for efficiency shrinks energy costs. Resale restrictions allow homeowners to keep and grow equity, while preserving affordability for the next owners.

Housing Trusts are successful

More than 186 CLTs operate in the United States and England, with an outstanding track record. Florida is setting up a statewide program. Chicago has set up a city-wide program. The Burlington CLT in Vermont is so successful that the state legislature requires all public housing funds go to CLTs. Many successful CLTs exist in the Northwest, particularly in Washington’s San Juan Islands, where conditions are similar to those on the north Oregon coast.

Housing Trusts are controlled by members

Housing Trusts are 501c3 public benefit organizations. They are community controlled because membership is drawn from people who live on trust-owned land (leaseholders), from community organizations, and from everyone in the wider community who wishes to join. Members elect a governing board of one third from each of those groups.

WHO IS NEAHCASA FOR?



Jessica DuMoulin grew up in the area, graduating from NeahKahNie High School in 1997 where she is now working as a Family Resource Counselor. She is also working at the Sea Shack to be able to afford her rent. Fluent in Spanish, she teaches a weekly language class at the North Coast Recreation District. Jesse would love to be in a home that she owns.

We haven't set up a formal application and qualification process yet to become a NeahCasa homeowner or renter (too danged many other things that have to be done first), but have an informal list of strongly interested families that have asked us to keep them posted. Here are a few of them:



Edith Rohde retired to live in this community four years ago. She lives on a small pension of about \$18,000 and rents a tiny apartment in Manzanita. She is active on the NeahCasa Board and passionate about the need for housing for older folks who live on a fixed income.



Kelly Benson and Matthew, Michael and Carolyn Maizel – Kelly grew up here and graduated from NeahKahNie High School. She and her pre-teenagers moved back here from the east coast when Kelly divorced. Kelly began working for US Bank 4 years ago and is now the Manzanita Branch Manager. The \$39,000 she earns now doesn't stretch far enough to cover the cost of a home mortgage. Kelly is a founding Board Member of NeahCasa, as well as a Board Member of the Women's Crisis Center.



Sarah Simmons, Abram Harris and Cosmo Harris – For three years Abram and Sarah have been actively looking for a home they can afford to buy. Abram used to work for Cartm Recycling but in the last year has set up Bold Eagle Design, doing website design and computer trouble shooting. Sarah is a partner in It's Only Fair – a fair trade gift shop in Manzanita. They currently live in Manzanita in a tiny rental house, with mold problems, that they are fast outgrowing.



Rex Harter, Natasha Stevens and Otto Harter currently live in an older manufactured home owned by Rex's parents on Pacific Palisades off Hwy 101 between Manzanita and Nehalem. They are in the process of creating a plant nursery and are currently selling plants and vegetables at the Manzanita Farmers Market. They need a house with some land around it. In the meantime to make ends meet, Rex works as a handyman and Natasha as a waitress. As part of the work of getting themselves a place to put down roots, Natasha is a NeahCasa Board member.



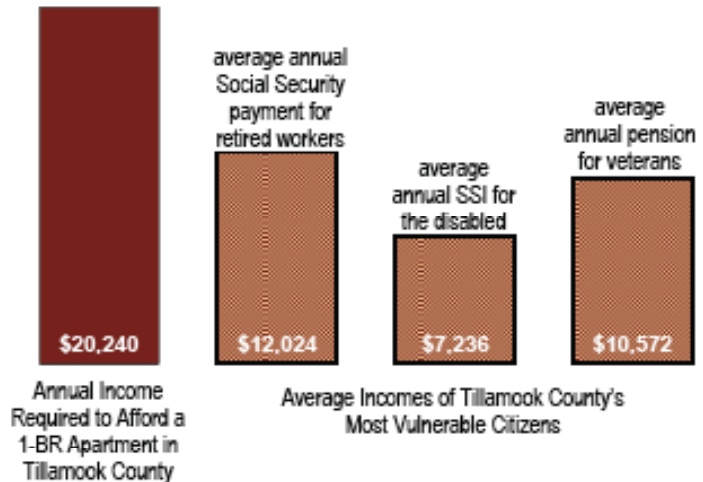
LeeAnn Neal – LeeAnn is a 6th generation Tillamook County resident, being a descendant from original settlers, both the Trasks and the Vaughns. She is a free lance journalist for the North Coast Citizen, the Daily Astorian, Hipfish and the Coast Business Review. She is familiar to many driving the forklift at her previous job with Cartm Recycling. She shares a small rental house in downtown Manzanita with her two siblings to make it affordable, but that property is about to be developed.



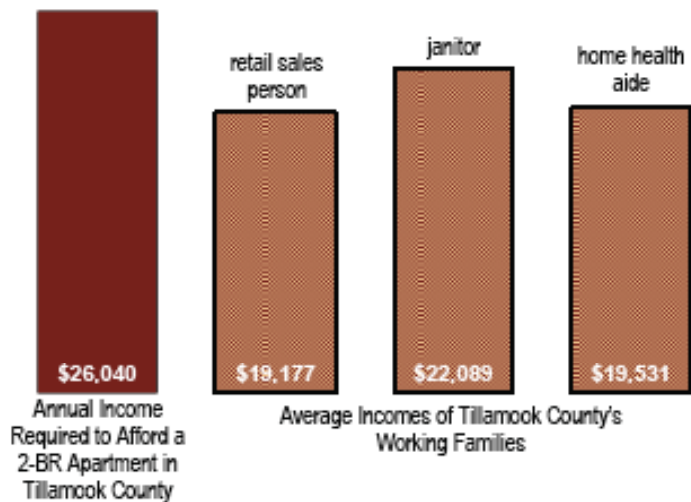
Jamie Ehrke and Mache Tallman – Jamie just finished therapeutic massage school and is soon to set herself up in business in Bayside Gardens. With her school loan payments (including some from her stint at Evergreen College in Washington) and a new business, there is no way Jamie can afford to own a home for herself and her first grade son anytime soon.

WHY DO WE NEED NEAHCASA?

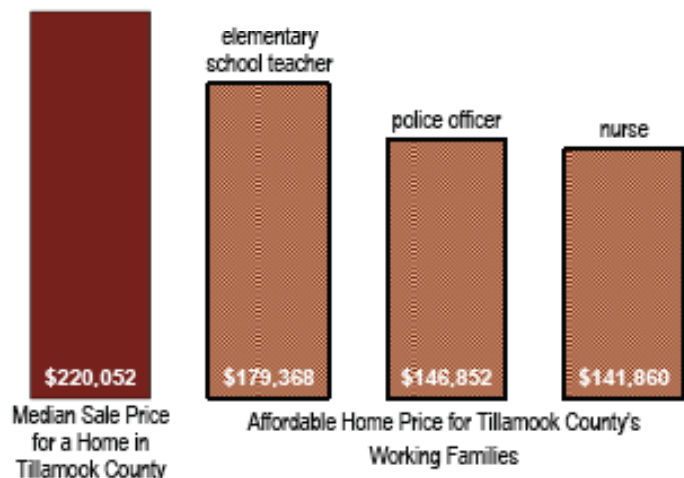
In Tillamook County, people on fixed incomes—like seniors and people with disabilities—can't afford a one-bedroom market-rate apartment.



Tillamook County's hard-working families should not have to choose between rent, groceries and prescription medications. High housing costs have put basic economic security out of reach.



Homeownership in Tillamook County, is now beyond the means of many hard-working families.



NeahCasa's primary market is the "yellow" areas below. Higher incomes can access conventional mortgages, lower (pink/red) can't afford ownership, and are assisted with public rental projects. Residents pay no more than 30% of income. Actual cost of homes needs to be kept within the mortgageable ranges. Funding for that comes through a variety of sources depending on the individual applicants qualifications, available funds in different programs, etc.

Our expectation on range of home needs is roughly 20% single, 40% families without kids, 40% families with kids.

Salaries Required for Tillamook Co. Workers to Live and Work

Basic Budget for household with 1 adult and 1 child (Estimates from OHCS 2006 Poverty Report)												
Wage	Monthly Income			Expense Category						Available for Housing		
	% AMI	Full Time	Food	Child Care	Trans- portation	Health Care	Other Necessities	Taxes	Monthly Margin	Average Rent	Monthly Net	
\$7.80	38%	\$1,351	303	490	381	239	289	409	(\$760)	630	(\$1,390)	
\$8.50	41%	\$1,472	303	490	381	239	289	409	(\$639)	630	(\$1,269)	
\$10.00	48%	\$1,732	303	490	381	239	289	409	(\$379)	630	(\$1,009)	
\$12.50	60%	\$2,165	303	490	381	239	289	409	\$54	630	(\$576)	
\$13.00	63%	\$2,252	303	490	381	239	289	409	\$141	630	(\$489)	
\$14.00	68%	\$2,425	303	490	381	239	289	409	\$314	630	(\$316)	
\$15.00	72%	\$2,598	303	490	381	239	289	409	\$487	630	(\$143)	
\$16.00	77%	\$2,771	303	490	381	239	289	409	\$660	630	\$30	

Basic Budget for household with 1 adult and 3 children (Estimates from OHCS 2006 Poverty Report)												
Wage	Monthly Income			Expense Category						Available for Housing		
	% AMI	Full Time	Food	Child Care	Trans- portation	Health Care	Other Necessities	Taxes	Monthly Margin	Average Rent	Monthly Net	
\$7.80	30%	\$1,351	580	1017	381	249	453	434	(\$1,763)	881	(\$2,644)	
\$9.00	35%	\$1,559	580	1017	381	249	453	434	(\$1,555)	881	(\$2,436)	
\$12.00	46%	\$2,078	580	1017	381	249	453	434	(\$1,036)	881	(\$1,917)	
\$14.00	54%	\$2,425	580	1017	381	249	453	434	(\$689)	881	(\$1,570)	
\$15.50	60%	\$2,685	580	1017	381	249	453	434	(\$429)	881	(\$1,310)	
\$18.00	69%	\$3,118	580	1017	381	249	453	434	\$4	881	(\$877)	
\$20.00	77%	\$3,464	580	1017	381	249	453	434	\$350	881	(\$531)	
\$22.00	85%	\$3,810	580	1017	381	249	453	434	\$696	881	(\$185)	
\$24.00	93%	\$4,157	580	1017	381	249	453	434	\$1,043	881	\$162	
\$26.00	100%	\$4,503	580	1017	381	249	453	434	\$1,389	881	\$508	

Basic Budget for household with 2 adults and 1 child (Estimates from OHCS 2006 Poverty Report)												
Income based on 1 fulltime worker at this wage plus one 1/2 time worker @ min. wage)												
Wage	Monthly Income			Expense Category						Available for Housing		
	% AMI	Full Time	Food	Child Care	Trans- portation	Health Care	Other Necessities	Taxes	Monthly Margin	Average Rent	Monthly Net	
\$7.80	50%	\$2,026	479	490	535	324	344	364	(\$510)	630	(\$1,140)	
\$9.00	55%	\$2,234	479	490	535	324	344	364	(\$302)	630	(\$932)	
\$10.00	60%	\$2,407	479	490	535	324	344	364	(\$129)	630	(\$759)	
\$12.00	68%	\$2,754	479	490	535	324	344	364	\$218	630	(\$412)	
\$14.00	77%	\$3,100	479	490	535	324	344	364	\$564	630	(\$66)	
\$16.00	85%	\$3,447	479	490	535	324	344	364	\$911	630	\$281	

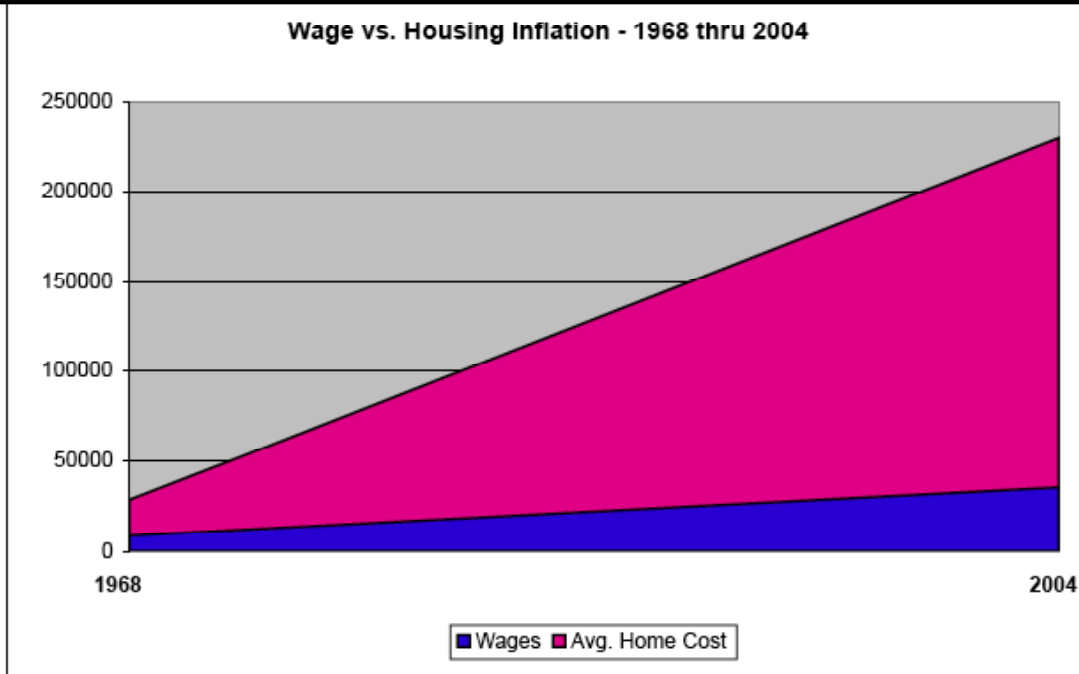
Basic Budget for household with 2 adults and 3 children (Estimates from OHCS 2006 Poverty Report)												
Income based on 1 fulltime worker at this wage plus one 1/2 time worker @ min. wage)												
Wage	Monthly Income			Expense Category						Available for Housing		
	% AMI	Full Time	Food	Child Care	Trans- portation	Health Care	Other Necessities	Taxes	Monthly Margin	Average Rent	Monthly Net	
\$7.80	42%	\$2,026	722	1017	535	360	497	127	(\$1,232)	881	(\$2,113)	
\$9.00	46%	\$2,234	722	1017	535	360	497	127	(\$1,024)	881	(\$1,905)	
\$12.00	57%	\$2,754	722	1017	535	360	497	127	(\$504)	881	(\$1,385)	
\$13.00	60%	\$2,927	722	1017	535	360	497	127	(\$331)	881	(\$1,212)	
\$16.00	71%	\$3,447	722	1017	535	360	497	127	\$189	881	(\$692)	
\$18.00	78%	\$3,793	722	1017	535	360	497	127	\$535	881	(\$346)	
\$20.00	85%	\$4,139	722	1017	535	360	497	127	\$881	881	\$0	
\$21.00	89%	\$4,313	722	1017	535	360	497	127	\$1,055	881	\$174	
\$22.00	92%	\$4,486	722	1017	535	360	497	127	\$1,228	881	\$347	

Approx. \$7/Hour = Minimum additional hourly premium (above min. wage) necessary for any family type to maintain a HH
 \$ 436,800 Annual cost of premium to employers (public or private) with 30 full time positions

Typical Cut off for affordable rental projects

Households with no available assistance

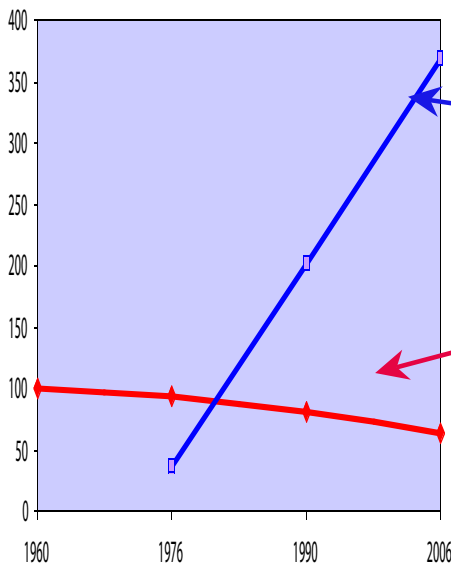
WHY DO WE HAVE A HOUSING AFFORDABILITY PROBLEM?



Year	Wages	Avg. Home Cost	Home Cost vs. Wages
1968	8,630	20,100	233%
2004	35,648	193,991	544%
Increase	413%	965%	

Data from SS Administration tables and Marketwatch.com

Skyrocketing Income Disparity Is Destroying Our Communities



Average CEO earnings are now 369 times as much as the average worker, compared with 36 times as much in 1976.

U.S. Minimum Wage has decreased by 37% since 1960.

Resolving the root problem involves:

- Mandating living wages. It's only fair that hard-working people receive adequate pay.
(The original Federal Minimum Wage would now equal \$15/hour.)
- Closing tax loopholes to restore the equity on which a democracy depends.

WHAT CAN WE LEARN FROM THE BUILDABLE LANDS STUDY?

- The study confirmed prior sewer and water studies showing major surplus of available buildable land throughout the area. Nehalem Bay communities have an average of SEVEN TIMES the required 20-year inventory of buildable land within their UGBs.

- **In spite of this, affordable housing is unavailable for 44% (study data) to over 70% of current residents (current market data). There is an almost total absence of buildable land within the UGBs available at a price which can support housing affordable for over half of the community residents.**

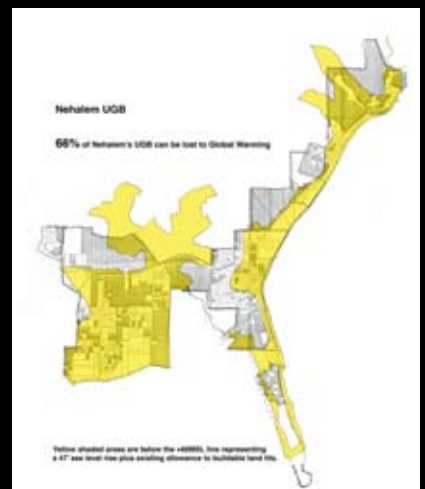
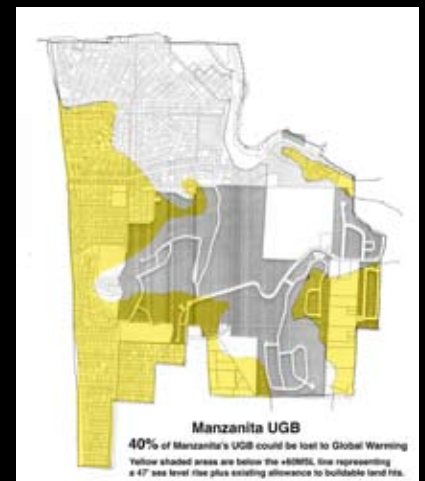
- The data used by the study to determine housing affordability was outdated, some going back 7 years, and based on “value,” not actual current sales price data. Last-12-months actual sales data for the UGBs shows average lot price for 18 lots sold at \$258,000, with a corresponding “home value” of \$860,000. Only two lots sold for prices affordable for incomes of \$50,000 or less. These lot prices are higher than home prices affordable for incomes of \$75,000 or less. Affordable housing cannot currently be built on market-rate lots in our communities. Average home sale prices for 74 homes was \$474,000. Only 12 homes sold for prices affordable for incomes of \$75,000 or less (which represents 85% of our community residents). On May 3, 2007, MLS listings showed 29 available homes in the Manzanita/Neahkahnie area. Lowest listing was \$399,000. Average was \$652,000. It listed one home in the Wheeler UGB, 3 in Nehalem UGB, and 14 in Manzanita/Neahkahnie. For 590 households, this confirms a drastic shortage of affordable housing.

- With a projected growth of 290 more permanent-resident households over the next 20 years, plus impact of conversion of existing homes to vacation and short-term rental use, this situation is likely to become considerably more serious.

- We can conclude that a 20-year inventory of buildable land is an insufficient mechanism to ensure availability of affordable housing for the communities. In part, Measure 5, by locking up property taxes, removed any market incentives for a property owner to sell property for less than top-end prices.

- Higher-density zoning is also proving to be a failure in coastal resort communities to provide affordable housing for lower income residents, as most building activity in those zones is for high-income condo vacation homes.

Global warming may impact a significant portion (50%) of existing housing and buildable land, though timelines and impacts of future actions are currently unclear.



- Projected Oregon Coast impacts of global warming are severe (50% of the land area of the three community UGBs). With potential impact within the use life of land development, a longer than 20 year timeframe should be addressed by our communities, with focus on developable land at elevations less likely to be submerged.
- State preemption of local funding sources used in other states prevents our communities from subsidized market acquisition of land for affordable housing.
- With this land shortage in the UGBs for affordable community housing, property should be permitted to be brought into the UGBs when and where it can be demonstrated that it will be used for unmet needs for permanently affordable housing for community residents, that it can be serviced in a timely and cost-efficient fashion, and that it is available at a cost that permits it to support housing for low-income residents.
- **Our cities need to amend their comprehensive plans or land use regulations to include new measures that demonstrably increase the likelihood that residential development will occur at densities sufficient to accommodate housing needs for the next 20 years.**

Comparison of Incomes and Current Housing Availability
All three UGBs combined, 5-1-2006 to 5-1-2007

Income	House holds	Affordable Monthly Housing Costs	"Available" - last 12 month sales		
			Owner housing	Lots	Total
Less than \$15,000	77	Less than \$325	0	0	0
\$15,000 to \$24,999	86	\$325-\$624	0	1	1
\$25,000 to \$34,999	98	\$625-\$874	0	0	0
\$35,000 to \$49,999	134	\$875-\$1249	5	1	6
\$50,000 to \$74,999	110	\$1250-\$1874	7	3	10
\$75,000 to \$99,999	34	\$1875-\$2499	11	2	13
\$100,000 to \$149,999	33	\$2500-\$3749	30	1	31
\$150,000 to \$199,999	6	\$3750-\$4999	10	9	19
\$200,000 and more	11	\$5000 or more	7	-	7

589

This represents a shortfall of approximately 55 affordable homes a year for the three communities.

Comparison of Incomes, Affordable Costs, and Housing Availability - all three UGBs combined

Income	Households	Affordable Monthly Housing Costs	Supply			Surplus/-Gap*
			Owner housing	Rental housing	Total	
Less than \$15,000	77	Less than \$325	20	1	21	-56
\$15,000 to \$24,999	86	\$325-\$624	10	54	64	-22
\$25,000 to \$34,999	98	\$625-\$874	18	39	57	-41
\$35,000 to \$49,999	134	\$875-\$1249	30	7	37	-97
\$50,000 to \$74,999	110	\$1250-\$1874	84	3	87	-23
\$75,000 to \$99,999	34	\$1875-\$2499	98	0	98	64
\$100,000 to \$149,999	33	\$2500-\$3749	115	0	115	82
\$150,000 to \$199,999	6	\$3750-\$4999	70	0	70	64
\$200,000 and more	11	\$5000 or more	23	0	23	12

589

* Supply gap is understated because of market shifts since data was gathered.

This represents a current shortage of 239 affordable homes for the three communities.

NeahCasa is working on major innovations in housing:

NET-ZERO-ENERGY HOMES

NeahCasa, along with other Northwest housing trusts, has a commitment to building homes as close to Net-Zero-Energy as possible, working from proven prototypes from the region.

NZE homes use compact design, extra-high insulation levels, efficient lighting and appliances, passive solar, wood heat, solar hot water, and solar electric PV panels to bring their net energy requirements as close as possible to zero.

Even with today's prices, energy costs over a lifetime are equivalent to the construction cost of a home. Reducing those costs reduces overall expenditures for housing.



Portland OR's Net-Zero-Energy "Rose House"

Solar water heater

3.3kW solar electric PV panels
(cooling plenum below feeds solar heat pump)

Heat-recovery ventilation

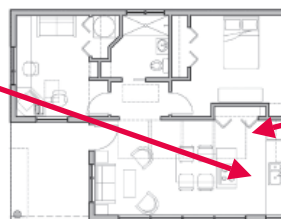
Energy-efficient lighting and appliances



R-38 insulated roof

R-25 insulated walls

Insulated concrete mass thermal storage floor slab behind passive solar windows



800 sq.ft. ADU

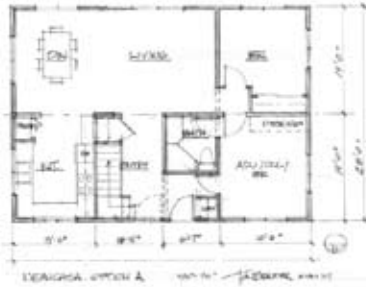
\$146/sq.ft

\$117,000 const. cost

Rose House floor plan

NeahCasa is working on major innovations in housing: FLEXIBLE AND EFFICIENT HOUSING DESIGN

Main Level -
Living-Dining Option



Main Level -
Ranch Kitchen Option



Upper Level -
sloping roofs



Two alternate plan arrangements, 1-1/2 story, with solar roof and window orientation to the south (top of sheet), entry on the north, views to east and south.

Homes can be site-built, panelized, or modular - shipped in in two units (south and north halves), with SIP roof panels stacked on top, to be installed and weathered-in the same day.



Lower 2-Bedroom Unit

Option "A" developed as an upstairs and a downstairs two-bedroom duplex.



An ancient 1970's prototype.



Upper 2-Bedroom Unit



Three flexible and changeable options on downstairs use patterns:

1. A one room home occupation or home office accessible from the entry. (left)
2. An efficiency ADU accessed from the entry, with kitchenette installed. (center)
3. A one-bedroom ADU accessed from the entry, with kitchenette in living space. (right)

The main house would have two or three bedrooms upstairs, and could have a main-floor toilet added as in the ranch-kitchen design above.

NeahCasa is working on major innovations in housing: HOMES WITH A SOUL



Bill and Athena Steen's "Houses that Sing" project showed the wonderful potential of owner-built clay plaster and ornament.



*We want homes, for our community,
that have hearts.*

*Putting love into a home doesn't
require money, only opportunity
and intention.*



Small spaces can touch our hearts as well as large ones.

Simple hand-painted designs can add a personal touch.

Native plant landscaping can grow a wonderful connection to the world around us and snuggle our homes into it.



Humor in our homes? What a concept!



NeahCasa is working on major innovations in housing:

INVESTING IN COMMUNITY

*** *Preserving public investment:***

Most public investment in affordable housing is lost when the housing goes back on the market after a period of years, or goes with the owner when they sell their home. Housing Trust (CLT) ownership of the land, and shared equity in the homes, ensures that any public investment not only is retained, but grows in value. In 20 years, even without development pressure, prices double through inflation. With development pressure, we can all see the increased value in public investment retained in community ownership of the land.

*** *Saving for retirement:***

The Housing Trust model can give an interesting bonus to people in our community. Instead of saving for retirement just through the stock market or a retirement plan, they can loan money (or have a Real Estate IRA) to a Housing Trust, to get a fair return on their investment in addition to helping provide local housing. That keeps our savings where we can see them, out of the hands of “Enron-ites”, and doing good things. As an alternative to buying a house and renting it for retirement savings, it keeps liquidity, avoids the hassles of being a landlord, and eases upgrading the homes for energy-efficiency and durability.

*** *Ensuring PERMANENTLY affordable housing:***

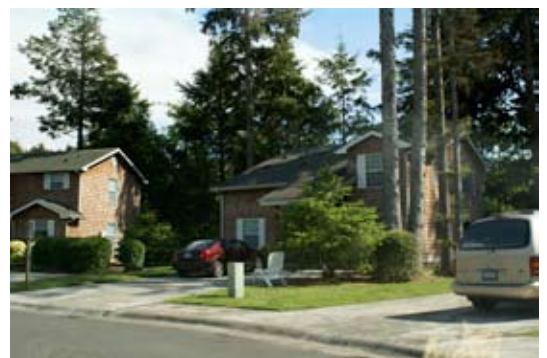
We’ve watched our community and others wrestle with all sorts of ideas for affordable housing. Many of them depend on the willingness of a developer or property owner to keep homes affordable. Many lose their affordability when the new, lucky, homeowner decides to sell. What sold us on the Housing Trust model is its ability to keep the land in “community” ownership in perpetuity, and to have “shared equity” with homeowners, so they can keep their investment in the home, while resale prices are restricted to continue to be affordable to others.

*** *Helping impossible things happen:***

We learned with past projects – such as Cart’M, the Lower Nehalem Community Trust, and Fire Mountain School – that impossible and wonderful things can be accomplished in any community. It just takes ingenuity, lots of good people working together, and creative use of resources. . . . Putting our money where our hearts are!



These affordable Cannon Beach homes were built in the 1980’s, when housing first became too expensive there for people who worked in the motels, restaurants and other businesses.

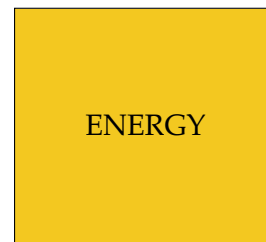
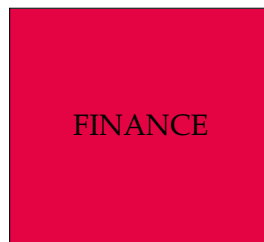


NeahCasa is working on major innovations in housing:

HOW TO REDUCE HOUSING COSTS BY 80% IN TWENTY YEARS:

The primary beneficiaries of the homeownership structure used in the U.S. since 1950 have been finance organizations and energy companies, *not homeowners*. Just interest on a 30 year, 6.5% mortgage costs 28% more than the cost of the home. Energy operating costs also equal or exceed construction costs.

There are three primary (and roughly equal) components to our housing costs:



Permanent community ownership of homes through a Housing Trust can:

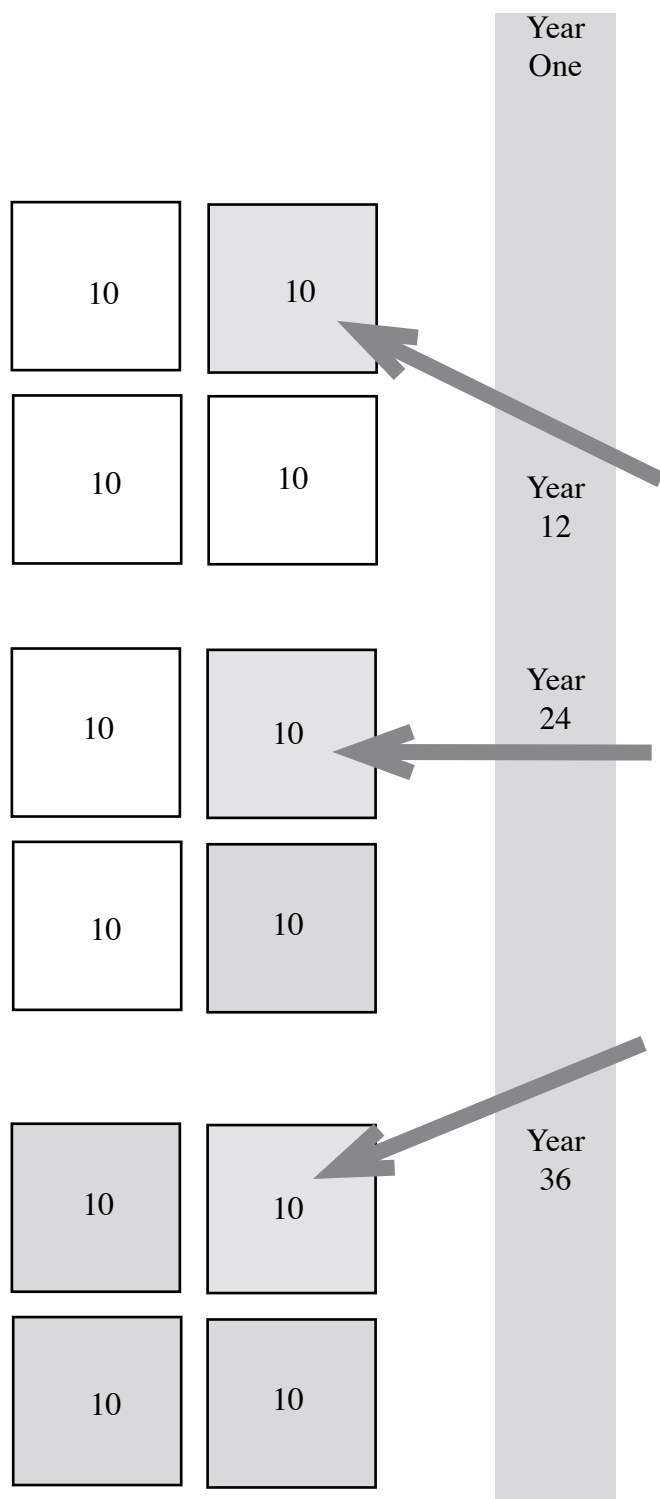
- Stop inflation/market increases in BOTH land and housing prices on trust owned land and housing. At our historic 3% inflation rate, prices double in 20 years. Therefore trust ownership can, in effect, cut the comparative purchase price of homes in half in 20 years.
- Eliminate (in 20 years) the finance component of trust-owned land and housing costs. This equals a reduction in housing costs – in perpetuity – equal to the entire capital cost, where a trust owns structures.
- Eliminate cumulative transfer costs on trust-owned land and housing. Where both house and land are trust-owned, this would amount to 1/3 of the purchase cost of a house over a lifetime.
- Thus in 20 years, the capital and finance costs of a house can be reduced:
 - * 50% through elimination of finance costs,
 - * another 25% reduction through escaping market inflation, and
 - * another 8% through avoidance of transfer costs.

Together this new homeownership structure results in
83% reduction in capital/finance costs.

NeahCasa is working on major innovations in housing:

Free Housing in 25 Years?

A mechanism is available to Community Land Trusts to get out of our “debt trap” of perpetually-cycling finance costs for housing. The IRS requirements for CLTs permit up to 25% of their units to be “market-rate rentals.” Use of this provision, along with other aspects of CLT programs, can permit major shifts in housing costs over the time cycles in which CLTs operate.



A CLTs 25% initial Market Rate Rental units can be rented at market rates. But assuming reduced costs [here free land (30% of home cost) and efficient design and construction (10% reduction)], the mortgages can be paid off *in 12 years* rather than 30. (A 30-year loan at 6.5% interest, ends up costing interest charges of 128% in addition to the initial cost of the home.)

Income from those mortgage-free MRR units can then speed payoff of more of the existing units, as they turn over.

At 12 years from start, the CLT would have 25% of its units paid off, and total market rate rent income from those 10 units becomes available to pay off more existing units or build new ones mortgage-free.

In 6 more years, the CLT would have 50% of its units paid off, as the income from the 10 market rate units combines with 10 low-income unit incomes to pay those units off faster. Then the total income from those 20 units becomes available to pay off remaining existing units or build new ones.

It would take another 7 years then, (24 years total) for the CLT to pay off the remaining 50% of its units.

In 24 years, all the housing is paid-off and “free.” The economic cost of construction is paid, and the equal finance cost for all the homes eliminated - forever.

At this point (or any point along the way) a CLT can:

- expand the number of homes, mortgage-free, towards market saturation, or
- convert the rentals into lease-hold homes, or
- lower CLT lease fees to 3% (equivalent to interest-free in 3% inflation US market), or
- target recent high-school graduate market to expand ownership community.

NeahCasa is working on major innovations in housing:

REDUCING RELATED COSTS - TRANSPORTATION:



CAR-SHARING

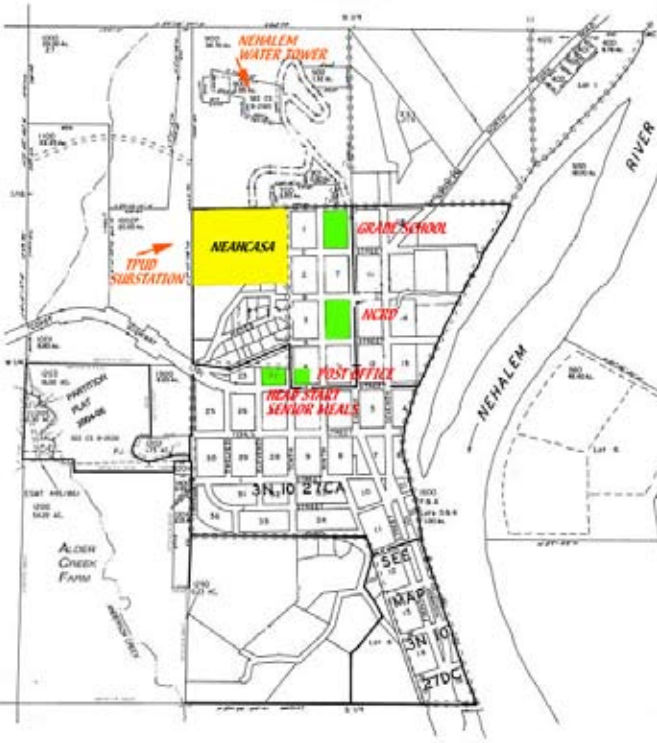
NeahCasa is working to include car-sharing in its projects and in the community, and to locate housing to reduce the need for car transportation.

Space costs. In many communities, parking requirements set by local jurisdictions are the single greatest barrier to the construction of affordable housing. Each residential parking space entails a cost of \$25,000 or more, which is either borne by residents or requires greater public subsidy. Including car-sharing as part of new housing can reduce the amount of parking needed, reducing the cost of housing.

Reduced transportation costs. A compact automobile costs \$5,000 per year for depreciation, insurance, taxes and finance charges. The average CarShare member, in contrast, spends \$540 and drives 435 miles per year. Car-sharing allows people to make necessary car trips such as taking a child to the doctor or interviewing for a job, without the burden of car payments, insurance, parking, and other and associated costs. Savings can increase mortgage capability.

Less land needed for parking. Each car-sharing vehicle replaces as many as seven private cars or more. This means that car-sharing can be a cost effective alternative to building more parking garages, which often cost \$30,000-\$50,000 per space in urban areas.

NEHCASA NEHALEM PROJECT

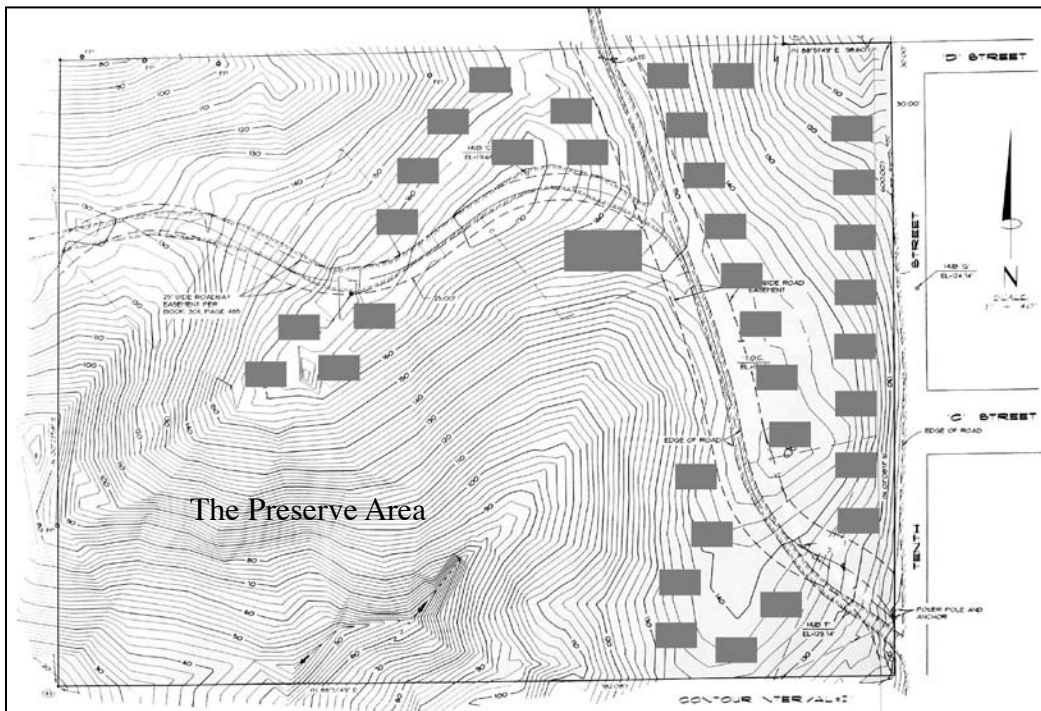


A 10 acres site, within two blocks of the Neahalem grade school, NCRD, the Post Office, and Senior Meals and Head Start, is being made available, at cost, to NeahCasa for its first community home neighborhood.

The site has 600' frontage on a city street, electricity, city water, and is above global warming levels. In order for this to work it needs to be brought into the city Urban Growth Boundary.



NEAHCASA NEHALEM PROJECT

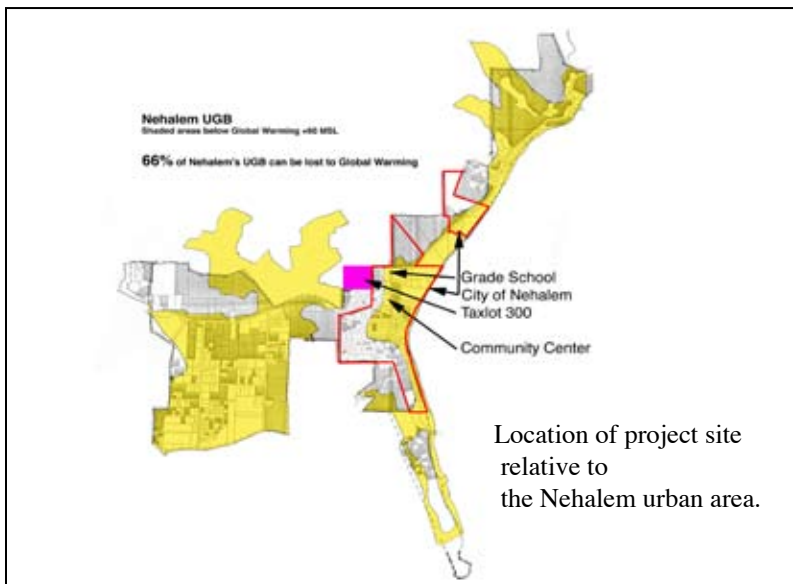


The Preserve Area

Our preliminary thoughts are to build a cluster neighborhood of 30+ homes (a mixture of rental and owned), in several phases, on the ridgetop portions of the site, leaving roughly 50% of the site in greenspace, sustainable forestry, permaculture, and community gardens.

10% of the site is in easements to the City of Nehalem and to the TPUD for access to the water tower and the TPUD substation.

The homes we plan to build will be as close to Net-Zero-Energy as possible, will utilize efficient construction, passive solar, green design, and rainwater harvesting.



WHAT CAN OUR CITIES DO?

ZONING:

ADOPT LCDC GOAL 10 ACTIONS INTO LOCAL COMP AND ZONING PLANS.

This goal requires balanced housing price ranges and rents based on income levels.

PROVIDE AN ADEQUATE SUPPLY OF AFFORDABLE HOUSING LAND

- Allow land into UGBs for affordable housing.
- Acquire surplus jurisdiction land for affordable housing – to be build by non-profit housing organizations such as Habitat for Humanity or NeahCasa.

ASSIST MOBILE HOME PARK RESIDENTS

- Adopt strategies to regulate and/or prevent condo conversion to lessen the impact of closures on low-income renters.
- New Hampshire has proactive assistance for resident purchase of trailer parks.
- Strategies to regulate and/or prevent condo conversion to lessen the impact of closures on low-income renters.
- Zoning requirement for % replacement of affordable housing.
- Change zoning to be only mobile homes creating a permanently affordable zone

INCLUSIONARY ZONING -

In other states local jurisdictions fund affordable housing programs by requiring a percentage of new multiple unit housing project be affordable. Oregon state law currently doesn't allow this, but changing this is part of the Housing Alliance Legislative Agenda.

- Bainbridge has **Inclusionary Zoning tied to Community Housing Trusts** – i.e. all affordable housing in development must be thru CLT. Requirement is 15% of projects with 5 or more units.

INCREASING DENSITY

PERMIT ADUs FROM OUR EXISTING HOUSING STOCK

Accessory dwelling units (ADUs) - also called granny flats or casitas - offer a way of converting oversized houses or garages, or adding a second small unit on a lot. Portland, Seattle, Cannon Beach, and Neahkahnie already have ADU ordinances.

ALLOW HOMES ABOVE COMMERCIAL SPACE

Increasing density in downtowns reduces car use and enlivens community centers.

FUNDING

SUPPORT LEGISLATIVE ACTION TO INCREASE STATE HOUSING FUNDS

CAPTURE VALUE OF LAND UPZONING

Many people feel that increase in value resulting from public action should not be a “windfall” for property owners, but go to the jurisdictions involved. Such funds could be designated for affordable housing, or portions of that land reserved for affordable housing.

TAX REAL ESTATE TRANSFER

A tax or fee on real estate transfers is widely used in other states, and has been proposed as a funding source that could be used for affordable housing.

SHIFT PROPERTY TAX BURDEN

Homestead/Rent Tax Reduction

Property tax reductions and rent credits on homes of permanent residents can go a partial way towards restoring the imbalance in housing costs resulting from vacation homes and vacation rentals. A savings of \$1200/year yields \$100/month towards rent or house purchase capability.

WHAT CAN OUR CITIES DO?

USE TAX-FREE MUNICIPAL BONDS TO CREATE REDUCED FINANCE COSTS.

ALLOW DENSITY BONUS to developers for affordable housing - e.g. **allow higher density/extra units.**

- Bellingham **expedites permitting, reduces parking requirements, etc.**
- San Juan has a **permanent zoning variance** – can have 10 instead of 7 homes if permanently affordable.
- Allow Row Houses/Attached Units for affordable housing in single family zones (no min. side yards)
- Allow Skinny Streets for affordable housing projects.

WAIVE SYSTEM DEVELOPMENT FEES

Systems development charges can amount to \$6,000 to \$10,000 per unit.

- Eugene's EWEB has a program for local utility SDC subsidy. This doesn't lower total fees, but shifts them to more expensive homes.
- In Friday Harbor water/sewer connection fees (currently \$17,000/unit) are deferred for 15 years –at which time they pay the rate at the time of construction even tho rate will have gone up.

WAIVE BUILDING PERMIT FEES FOR AFFORDABLE HOUSING

King and Pierce Counties in Washington exclude fees for affordable housing (which is already supported by public funds).

Washington state law allows communities to waive fees for affordable housing.

PROVIDE PUBLIC SUBSIDIES ONLY FOR PERMANENTLY AFFORDABLE HOUSING.

Vermont now requires all public housing dollars to go to community housing trusts.

CREATING AFFORDABLE HOUSES:

REUSE EXISTING HOUSES

- Require referrals from house demolition permits
- Stockpile available land to receive relocated homes.

ZERO-ENERGY HOUSING

Energy represents as large an expenditure for housing as does construction cost.

OTHER:

LOWER PARKING REQUIREMENTS for downtown housing and for elderly and disabled families, and where transit or car sharing is available.

REQUIRE LIVING WAGES

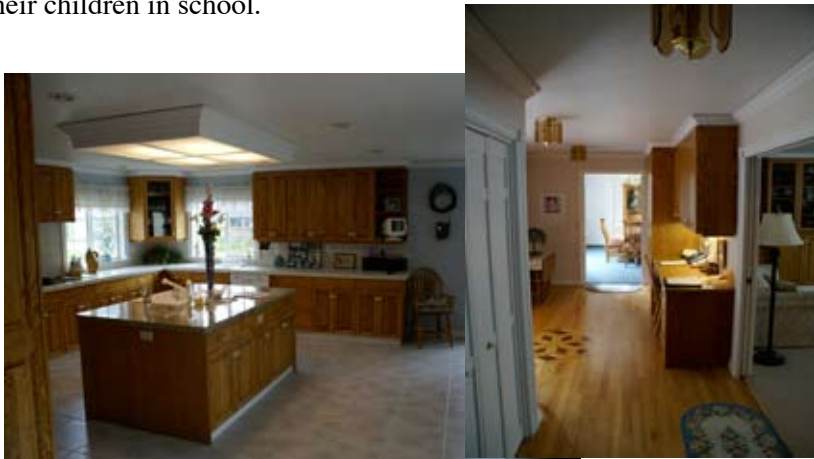
Housing “unaffordability” is just another way of saying people don't get paid well enough to afford decent housing. Being concerned about “affordable housing” without dealing with sub-minimum wages can only result in band-aid answers.

Our cities have a mandate to act to deal with the housing affordability issue we face. They need to amend their comprehensive plans, UGBs, or land use regulations to include new measures that together demonstrably increase the likelihood that residential development will occur at densities sufficient to accommodate housing needs for the next 20 years. NeahCasa is willing to help all of our communities come up with a mix of actions that meet their individual needs.

EMERGENCY HOUSING

NeahCasa is working on a number of other elements of housing issues. To provide emergency housing support for families of students of the NeahKahnie School District, NeahCasa has obtained \$26,000 in donations from Meyer Memorial Trust, US Bank, Windermere-Manzanita, and an anonymous donor.

Partnering with CARE Inc. of Tillamook County and the Commission on Children and Families, this makes available emergency funds to families for the purpose of securing or retaining family shelter and utilities. Since April 2006, 26 families have been helped through a hard time to be able to keep their homes and their children in school.



NeahCasa is also helping the Tillamook Women's Crisis Center in establishing a Domestic Violence Shelter in Tillamook, serving Tillamook County. The project has been funded, a building secured, and the shelter should open its doors in a few months. The shelter will house up to 25 individuals at any time. It is anticipated that at least 200 individuals will be sheltered each year.

LANDLORD/TENANT SUPPORT



To improve the benefits of offseason or caretaker rental of homes as well as better relationships between landlords and renters, NeahCasa, in concert with CARE and Northwest Oregon Housing Authority (NOHA), kicked off its Rental Housing Support Group with a gathering at the Pine Grove Community Center in November.

Landlords from throughout the county gathered to discuss longterm rental issues and access to best practices beneficial to both landlords and renters.

The NeahCasa web site <www.neahcasa.org> now provides key links for landlords and tenants including bilingual tenant rights and listings and contact information for affordable housing. In partnership with NOHA we are developing a back-up deposit program for tenants who might not fully meet NOHA requirements.

In concert with the Oregon Rental Housing Association and Ribbon Investment, a program is being developed to assure access to tenant screen services and Oregon based rental forms. We plan a follow up group meeting as soon as this service is in place.